

**OVERSIGHT BOARD TO THE FORMER
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON
STAFF REPORT**

DATE: **SEPTEMBER 24, 2014**

TO: **THE HONORABLE CHAIR AND BOARD MEMBERS**

FROM: **EXECUTIVE DIRECTOR**

**SUBJECT: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY AUTHORISING TRANSFER OF PROCEEDS OF AVAILABLE
2010 TAX ALLOCATION BOND (SERIES A HOUSING BONDS) TO THE
HOUSING SUCCESSOR AGENCY TO FUND LOW AND MODERATE
INCOME HOUSING DEVELOPMENTS**

BACKGROUND

Pursuant to Resolution No.23464 adopted by the City Council on January 17, 2012, the City agreed to serve as the Successor Agency to the Community Redevelopment Agency of the City of Compton commencing upon dissolution of the Redevelopment Agency on February 1, 2012 per Assembly Bill x1 26 (“**AB 26**”). Pursuant to Resolution No. 23498 the City Council elected to retain the housing assets and housing functions of the former Redevelopment Agency commencing upon dissolution of the Redevelopment Agency.

On April 9, 2014, DOF issued its determination letter approving transfer of certain housing assets (attached) to the Successor Housing Agency to facilitate production, preservation and expansion of affordable housing for the benefit of low to moderate income households in the community. Housing Asset designation means: (a) any funds encumbered by an enforceable obligation to build or acquire low-and moderate income housing; and (b) any loan or grant receivable, funded from the low and moderate income housing (LMIHF) that require occupants by persons of low or moderate households.

STATEMENT OF THE ISSUE

Health and Safety Code Section 34176(g) provides that the entity assuming the housing functions of a former redevelopment agency (the “**Housing Successor**”) may also designate the use of and commit proceeds of the Successor Agency’s tax allocation bonds issued prior to January 1, 2011 to fund affordable housing programs consistent with bond covenants and obligation of subject bond issue (hereafter, “**Available Housing Bond Proceeds**”). Health and Safety Code Section 34176 (g) further provides that the expenditure of the bond proceeds transferred to the Housing Successor

must be listed separately on the ROPS and used in accordance with applicable housing-related provision of the CRL.

Pursuant to a Master Trust Agreement dated 1995, by and between the former Redevelopment Agency of the City of Compton and the US Bank, as trustee (the “Trustee”), the Agency issued Tax Allocation Bonds comprising of Series 2010A Project Housing; Series 2010B (the “Series 2010 Bonds”), Tax Allocation Bonds Series C (the “2010C Bonds”). The Housing Project Bonds (Housing), Series 2010A, was issued to fund low and moderate income housing developments in accordance with the Community Redevelopment Law. The available housing bond proceeds currently under the control of the Successor Agency in the amount of \$14,856,720 (see attached) is slated to be used solely to provide financing for low and moderate income housing purposes in a manner designed to increase, improve, and preserve affordable housing in compliance with certain covenants in the indenture relating to the maintenance of the tax-exemption of the interest on the 2010 Housing Bonds

Pursuant to the Successor Agency’s adopted budget for fiscal year 2014-15 (dated June 30, 2014, see attached) the City notified the Housing Successor Agency that it would transfer the available housing bond proceeds to the Housing Successor solely to provide financing for low and moderate income housing purposes in a manner designed to provide: (i) down payment assistance to first time homebuyers to expand production of homeownership opportunities in the community (ii) deferred equity rehabilitation loans for homeowners. These funds have been identified in the Successor Agency’s Due Diligence Review (DDR) Report – Housing Funds as “Restricted funds” meaning the affordability restrictions would be placed on these developments as defined and referenced or allowed pursuant to the bond covenants

In order to complete the transfer of the housing bond proceeds to the Housing Successor, the housing bond proceeds must be listed on the Agency’s Recognized Obligation Payment Schedule (ROPS) for the Oversight Board for approval. The ROPS will then be sent to DOF for its approval. Once the ROPS are approved by DOF, the housing bond proceeds would be available to the Housing Successor to increase, improve, and preserve affordable housing as well as comply with certain covenants in the indenture relating to the maintenance of the tax-exemption of the interest on the 2010 Housing Bonds

RECOMMENDATION:

That the Board authorize the transfer of the available proceeds of Successor Agency Tax Allocation Bonds (Series A Housing Bonds) to Housing Successor to finance low and moderate income housing developments

DR. KOFI SEFA-BOAKYE
MANAGER

G. HAROLD DUFFEY
EXECUTIVE DIRECTOR



ACCOUNT NUMBER: 141381004
COMPTON REDEVELOPMENT PROJECT
SECOND LIEN TAX ALLOCATION BONDS
2010 A PROJECT HOUSING TRUST FUND

This statement is for the period from
June 1, 2014 to June 30, 2014

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CITY OF COMPTON
ATTN CITY CONTROLLER
205 S WILLOWBROOK AVE
COMPTON, CA 90220

QUESTIONS?

If you have any questions regarding
your account or this statement, please
contact your Account Manager or Analyst.

Account Manager:
CAROLYN MORRISON
PD-WA-T7CT
1420 FIFTH AVE, SUITE 700
SEATTLE WA 98101
Phone 206-344-4678
E-mail carolyn.morrison@usbank.com

Analyst:
KRISTEN ZANGS
Phone 651-466-6120



ACCOUNT NUMBER: 141381004
COMPTON REDEVELOPMENT PROJECT
SECOND LIEN TAX ALLOCATION BONDS
2010 A PROJECT HOUSING TRUST FUND

This statement is for the period from
June 1, 2014 to June 30, 2014

MARKET VALUE SUMMARY

Current Period
06/01/14 to 06/30/14

Beginning Market Value	\$14,856,120.89
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Investment Results

Interest, Dividends and Other Income	0.37
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Total Investment Results	\$0.37
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Ending Market Value	\$14,856,121.26
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ACCOUNT NUMBER: 141381004
COMPTON REDEVELOPMENT PROJECT
SECOND LIEN TAX ALLOCATION BONDS
2010 A PROJECT HOUSING TRUST FUNDThis statement is for the period from
June 1, 2014 to June 30, 2014**ASSET DETAIL AS OF 06/30/14**

Shares or Face Amount	Security Description	Market Value/ Price	Tax Cost/ Unit Cost	% of Total Yield at Market	Est Ann Inc
Cash Equivalents					
14,856,121.260	Wells Fargo Adv 100 Tr M Sv **12:00** 9AMMF99S2	14,856,121.26 1.0000	14,856,121.26 1.00	100.0 .00	1.49
Total Cash Equivalents		\$14,856,121.26	\$14,856,121.26	100.0	\$1.49
Total Assets		\$14,856,121.26	\$14,856,121.26	100.0	\$1.49

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your Analyst.



ACCOUNT NUMBER: 141381004
COMPTON REDEVELOPMENT PROJECT
SECOND LIEN TAX ALLOCATION BONDS
2010 A PROJECT HOUSING TRUST FUND

This statement is for the period from
June 1, 2014 to June 30, 2014

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Cash Balance as of 06/01/2014	\$0.00	\$0.00	\$0.00
Taxable Dividends	0.37		0.37
Transfers	- 0.37	0.37	
Purchases		- 0.37	- 0.37
Ending Cash Balance as of 06/30/2014	\$0.00	\$0.00	\$0.00



ACCOUNT NUMBER: 141381004
COMPTON REDEVELOPMENT PROJECT
SECOND LIEN TAX ALLOCATION BONDS
2010 A PROJECT HOUSING TRUST FUND

This statement is for the period from
June 1, 2014 to June 30, 2014

TRANSACTION DETAIL

Date Posted	Description	Income Cash	Principal Cash	Tax Cost
	Beginning Balance 06/01/2014	\$0.00	\$0.00	\$14,856,120.89
06/04/14	Dividend Earned On Wells Fargo Adv 100 Tr M Sv Div Payable 5/30/14 9AMMF99S2	0.37		
06/04/14	Purchased 0.37 Shares Wells Fargo Adv 100 Tr M Sv @ 1.00 USD Through Reinvestment Of Cash Dividend Due 5/30/14 Dividend Wells Fargo Adv 100 Tr M Sv 9AMMF99S2		- 0.37	0.37
06/05/14	Cash Disbursement Transfer To Principal Income Earnings	- 0.37		
06/05/14	Cash Receipt Transfer From Income Income Earnings		0.37	
	Ending Balance 06/30/2014	\$0.00	\$0.00	\$14,856,121.26

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING THE TRANSFER OF AVAILABLE BOND PROCEEDS OF THE 2010A TAX ALLOCATION BOND (SERIES A HOUSING BONDS) TO THE HOUSING SUCCESSOR AGENCY TO FUND LOW AND MODERATE INCOME HOUSING DEVELOPMENTS

WHEREAS Pursuant to Resolution No.23464 adopted by the City Council on January 17, 2012, the City agreed to serve as the Successor Agency to the Redevelopment Agency commencing upon dissolution of the Redevelopment Agency on February 1, 2012 per Assembly Bill x1 26 (“**AB 26**”). Pursuant to Resolution No. 23498 the City Council elected to retain the housing assets and housing functions of the former Redevelopment Agency commencing upon dissolution of the Redevelopment Agency; and.

WHEREAS, on April 9, 2014, DOF issued its determination letter approving transfer of certain housing assets (attached) to the Housing Successor Agency to facilitate production, preservation and expansion of affordable housing for the benefit of low to moderate income households in the community. Housing Asset designation means: (a) any funds encumbered by an enforceable obligation to build or acquire low-and moderate income housing; and (b) any loan or grant receivable, funded from the low and moderate income housing (LMIHF) that require occupants by persons of low or moderate households; and

WHEREAS, Health and Safety Code Section 34176(g) provides that the entity assuming the housing functions of a former redevelopment agency (the “**Housing Successor**”) may also designate the use of and commit proceeds of the Successor Agency’s tax allocation bonds issued prior to January 1, 2011 to fund affordable housing programs consistent with bond covenants and obligation (hereafter, “**Available Housing Bond Proceeds**”); and

WHEREAS Health and Safety Code Section 34176 (g) further provides that the expenditure of the bond proceeds transferred to the Housing Successor must be listed separately on the ROPS and used in accordance with applicable housing-related provision of the CRL; and

WHEREAS, pursuant to a Master Trust Agreement dated 1995, by and between the former Community Redevelopment Agency and the US Bank, as trustee (the “**Trustee**”), the Agency issued Tax Allocation Housing Bonds (Series 2010A), Tax Allocation Bonds, Series 2010B (the “**Series 2010 Bonds B**”), Tax Allocation Bonds Series C (the “**2010 C Bonds**”); and

WHEREAS, the Tax Allocation Bonds, Series 2010A, was issued to fund low and moderate income housing developments in accordance with the Community Redevelopment Law; and

WHEREAS, according to the city’s bond trustee (US Bank), there remains available balance of \$14,856,720 in housing bond proceeds (see attached) currently under the control of the Successor Agency slated to be used to provide financing for low and moderate income housing in a manner designed to increase, improve, and preserve affordable housing as well as

comply with certain covenants in the indenture relating to the maintenance of the tax-exemption of the interest on the 2010 Housing Bonds; and

WHEREAS, the Successor Agency's adopted budget for fiscal year 2014-15 (dated June 30, 2014, see attached) directed the Agency staff to transfer the available housing bond proceeds to the Housing Successor solely to provide financing for low and moderate income housing purposes in a manner designed to provide: (i) down payment assistance to first time homebuyers to expand production of homeownership opportunities in the community (ii) deferred equity rehabilitation loans for homeowners. These funds have been identified in the Successor Agency's Due Diligence Review (DDR) Report – Housing Funds as "Restricted funds" meaning the affordability restrictions would be placed on these developments as defined and referenced or allowed pursuant to the bond covenants

WHEREAS, in order to complete the transfer of the housing bond proceeds to the Housing Successor, the Board must approve the transfer and direct that the funds be listed on the Recognized Obligation Payment Schedule (ROPS) and then be sent to DOF for its approval.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF COMPTON, HEREBY FINDS, DETERMINES, RESOLVE, AND ORDERS AS FOLLOWS:

Section 1. That the above recitals are true and correct and are a substantive part of this Resolution.

Section 2. That the Board hereby approves the transfer of the available bond proceeds in the amount of \$14,856,720 (Series A Housing Bonds, attached) to the Housing Successor Agency to finance low and moderate income housing developments .

Section 3. That pursuant to the Health and Safety Code, the Housing Successor Agency assumes all rights, powers, duties, and obligations associated with the housing activities of the former Agency related to the transferred housing assets.

Section 4. The officers and staff of the City are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution.

ADOPTED this ____ day of _____, 2014.

**CHAIRPERSON OF THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

ATTEST:

**SECRETARY TO THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Rhonda Rangel, Secretary to the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, signed by the Chairperson, and attested by the Secretary at the regular meeting thereof held on the ____ day of _____, 2014.

That said resolution was adopted by the following vote, to wit:

AYES: BOARD MEMBERS -
NOES: BOARD MEMBERS -
ABSENT: BOARD MEMBERS -

**SECRETARY TO THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**